

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 33** SLS 09RS 271

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 20, 2009	12:17 PM	Author: CHAISSON
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Changes SIC 3312 to NAICS 331111		

TAX EXEMPTIONS

EG NO IMPACT GF RV See Note

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Provides for sales and use tax exemption on purchases of utilities by certain businesses. (7/1/09)

Current law provided a sales tax exemption for utilities by steelworks, blast furnaces, coke ovens, and rolling mills with more than 125 employees. The exemption is available to companies classified by the Louisiana Workforce Commission within sector 3312 of the Standard Industrial Classification System.

Proposed law retains current law but changes the SIC 3312 requirement to the North American Industry Classification System (NAICS) sector 331111. Proposed law also provides the definition of utilities as sales of steam, water, electric power or energy and natural gas.

Effective July 1, 2009.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
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Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This bill changes the SIC 3312 classification to the NAICS 331111 classification for a company to become eligible for the exemption. According to the Louisiana Workforce Commission, both codes capture the same corporations so the change will have no fiscal impact.

The definition of utilities as sales of steam, water, electric power or energy, and natural gas merely restates current practice in issuing credits so is also expected to have no impact.

Senate

Dual Referral Rules

House

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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